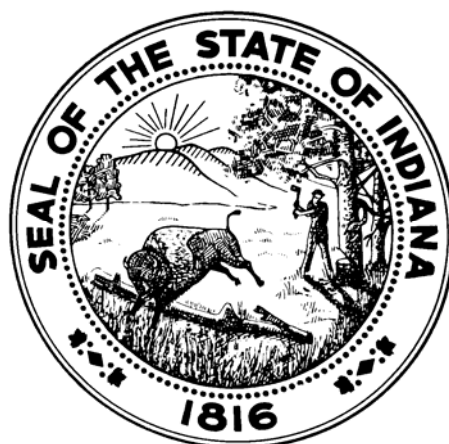


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT
OF
LOBBY REGISTRATION COMMISSION
STATE OF INDIANA

April 1, 2004 to September 30, 2006



FILED
12/29/2006

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director/General Counsel	Sarah Nagy	07-01-03 to 06-30-07
Chairman	Jan P. Abbs	07-01-03 to 12-31-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LOBBY REGISTRATION COMMISSION

We have reviewed the receipts, disbursements, and assets of the Lobby Registration Commission for the period of April 1, 2004 to September 30, 2006. The Lobby Registration Commission's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Lobby Registration Commission are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations, except as stated in the review comments.

STATE BOARD OF ACCOUNTS

November 16, 2006

LOBBY REGISTRATION COMMISSION
REVIEW COMMENT
September 30, 2006

ATTENDANCE REPORTS

From July 31, 2006 to October 7, 2006, the Executive Director was not signing her attendance reports. Accurately completed attendance reports are needed to ensure compliance with the Commission's employment agreement with the Executive Director.

Every Employee must submit an attendance report for each pay period. The attendance report is to be signed and dated by the employee. Attendance reports should be submitted by each employee in a timely manner so that submission of payroll to the Auditor's Office is not delayed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 9)

LOBBY REGISTRATION COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2006, with Sarah Nagy, Executive Director/General Counsel. The official response has been made a part of this report and may be found on page 6. The response to the official response has been made a part of this report and may be found on page 7.



Indiana Lobby Registration Commission

1760 Market Tower • 10 West Market Street • Indianapolis, IN 46204 • Phone: 317-232-9860 • Fax: 317-233-0077

OFFICIAL RESPONSE

December 7, 2006

State Board of Accounts
302 W. Washington Street
Room 418
Indianapolis, IN 46204-2765

Dear Auditor:

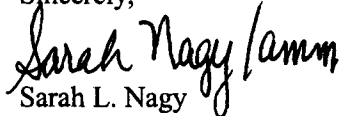
This letter is an official response to the review comments for the SBOC audit concluded on November 30, 2006. The period of audit was from April 1, 2004 through September 30, 2006. The following review comment is inaccurate: "From July 31, 2006 through October 7, 2006, the Executive Director was not signing her attendance reports." Prior to November 30, 2006, the Executive Director did submit two time sheets for the periods ending August 12, 2006, and August 26, 2006. The auditor failed to inquire as to whether any of the 5 time sheets of concern to him were signed prior to the close of the audit. Therefore, there were only 3 unsigned time sheets at the time of the November 30th exit interview, for a period involving 2 ½ years, and numerous employees. During the time of those 3 time sheets, the payroll manager was on maternity leave.

The substitute staff member was not fully trained on procedures relating to time sheets. While she did obtain a bi-weekly representation from the Executive Director about the aggregate hours worked, by category, she failed to ensure that the time sheets were signed by the Executive Director. This oversight has been remedied, in that all staff members who may handle payroll are now properly trained in the procedures to be followed.

Regardless, signing a time sheet *after* the end of the pay period is acceptable, regardless of time delay. This position was relayed to us by the SBOC auditor himself. It is important, though not necessary, to note that all time sheets submitted by any ILRC employee, *signed or unsigned*, have been accurate.

As for the review comments contained in paragraph two, they are inapplicable. Each ILRC employee has at *all times* submitted time sheets, all of which are signed at the end of the pay period in question (except for the three mentioned above, which were signed after the exit interview). At no time have employees of this agency signed time sheets in advance of completion of the pay period. There is no evidence to support the admonitions contained in paragraph two of the review comments.

Sincerely,


Sarah L. Nagy

Executive Director & Counsel
Indiana Lobby Registration Commission

cc: Commissioners, ILRC

Sarah L. Nagy,
Executive Director &
General Counsel

James W. Tork,
Commissioner

Tom Alevizos
Commissioner

Jan P. Abbs,
Commissioner

Dennis H. Hecke,
Commissioner



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January 3, 2007

Sarah Nagy, Executive Director
Lobby Registration Commission
10 W. Market St., Suite 1760
Indianapolis, Indiana 46202

Dear Ms. Nagy:

As a result of your response to the review comment on the Lobby Registration Commission for the period April 1, 2004 to September 30, 2006, the Indiana State Board of Accounts makes the following clarifications:


- (1) As of the last day of our field work, November 16, 2006, your attendance reports for the period July 31, 2006 to October 7, 2006 were not signed by you. The comment reflects the status of the records at the time of our review. The fact that they have subsequently been signed does not eliminate the fact that they were not signed in a timely manner as required.
- (2) The Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 9, requires all employees to submit an attendance report for each pay period, and that they are to be signed and dated by the employee. It also requires attendance reports be submitted in a timely manner so that submission of payroll to the Auditor of State's office is not delayed.

Since the employee attendance report represents a claim of public funds, it is not considered acceptable for attendance reports to be signed by the employee and approved by the supervisor at a date after the payroll has been submitted to the Auditor of State's office for payment.

- (3) The reference to Accounting and Uniform Compliance Guidelines Manual for State Agencies was presented as general criteria for properly maintaining attendance reports. This reference was not intended to imply that Lobby Registration Commission employees have signed attendance reports prior to the last day worked. Therefore, for clarification a modification was made to the finding.

If you have any questions or would like to discuss, please do not hesitate to contact us.

Sincerely,


Bruce A. Hartman, CPA
State Examiner

BAH/MH